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MELVILLE SHOE CORPORATION

Annual Report

1939

J. F. McElwain Co.
John Ward Men's Shoes
Thom McAn
Frank Tod

This report is published solely for the information of stockholders of this Corporation and is not intended for use in connection with the sale or purchase of stock.

MRB
Corp. File

EXECUTIVE OFFICES
555 Fifth Avenue, New York

ACCOUNTING AND GENERAL OFFICES AND WAREHOUSE
44 Hammond Street, Worcester, Mass.

FACTORIES
Nashua and Manchester, N. H.

FACTORY OFFICE
J. F. McElwain Co.
140 Federal Street, Boston, Mass.

MELVILLE SHOE CORPORATION

OFFICERS

J. Franklin McElwain . . . . . *Chairman of the Board*
Ward Melville . . . . . *President*
William Fitch Allen . . . . . *Vice-President*
William J. Cobb . . . . . *Vice-President*
Joseph L. Merrill . . . . . *Vice-President*
Elbert R. Allen . . . . . *Treasurer*
Joel E. Fisher . . . . . *Secretary*
Arthur Paar . . . . . *Assistant Secretary*

DIRECTORS

William Fitch Allen . . . . . Clarke & Allen, *New York*
William J. Cobb . . . . . *Vice-President*
Robert C. Erb . Treasurer, J. F. McElwain Company, *Nashua, N. H.*
Joel E. Fisher . . . . . *Secretary*
Frederick S. Little . . . . . *New York*
J. Franklin McElwain
Chairman of the Board; President, J. F. McElwain Company, *Nashua, N. H.*
Ward Melville . . . . . *President*
Joseph L. Merrill . . . . . *Vice-President*
Francis P. Murphy
Vice-President, J. F. McElwain Company, *Nashua, N. H.*
Seward M. Paterson
Vice-President, J. F. McElwain Company, *Nashua, N. H.*

COUNSEL

Clarke & Allen, 40 Wall Street, New York

AUDITORS

Peat, Marwick, Mitchell & Co.

TRANSFER AGENT	REGISTRAR
Irving Trust Company, New York	City Bank Farmers Trust Co., New York

* * * * *

J. F. McElwain Co.

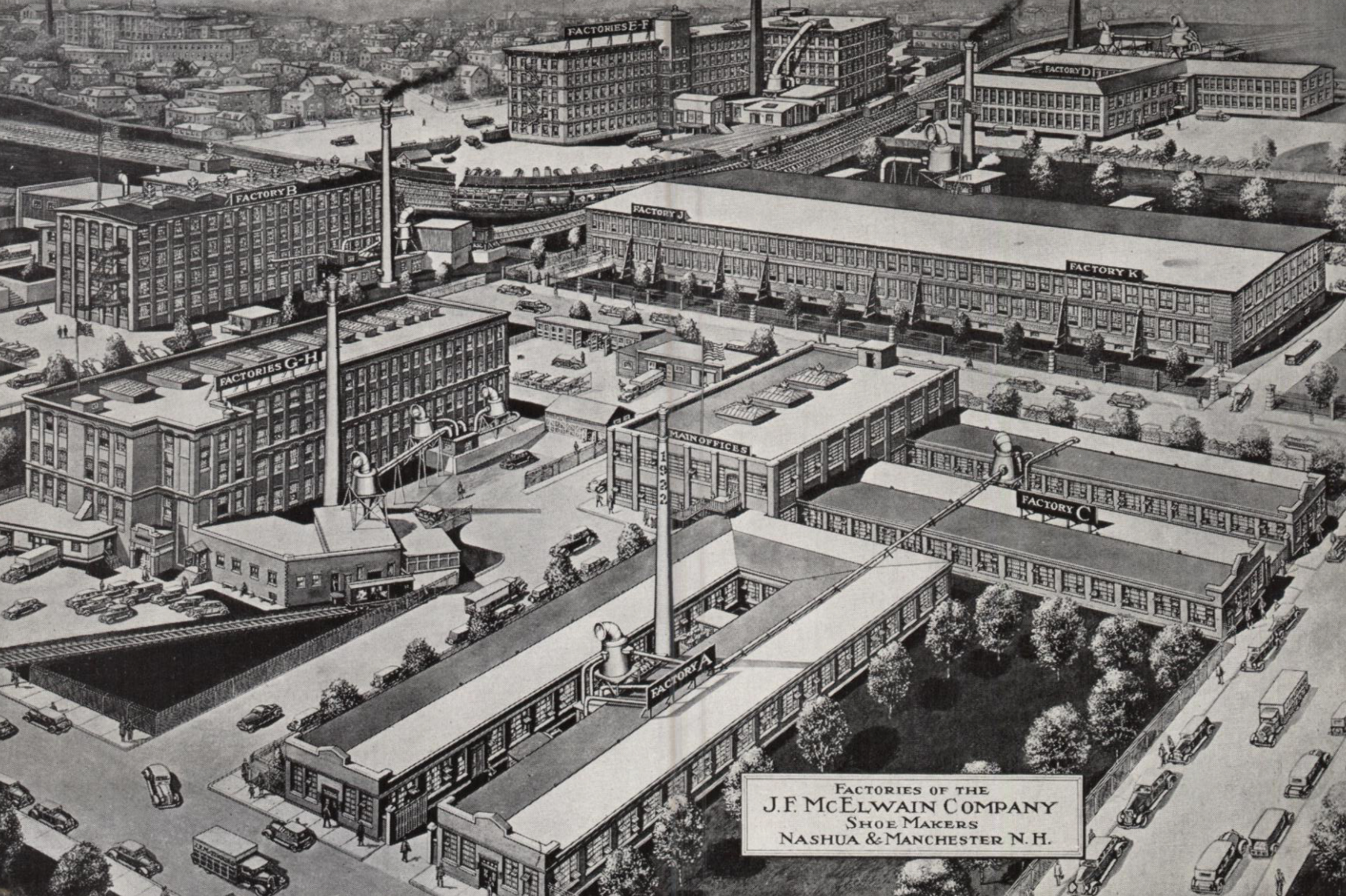
J. Franklin McElwain . . . *President*
Francis P. Murphy . . . *Vice-President*
Seward M. Paterson . . . *Vice-President*
Robert C. Erb *General Manager and Treasurer*
Edward L. Prescott . . . . . *Clerk*

The R-W Realty Co., Inc.

Ward Melville . . . . *President*
William Fitch Allen . *Vice-President*
Elbert R. Allen . . . *Treasurer*
Arthur Paar . . . . *Secretary*
Joel E. Fisher . *Assistant Secretary*

Melville Realty Company, Inc.

Ward Melville . . . . *President*
William Fitch Allen . *Vice-President*
Elbert R. Allen . . . *Treasurer*
Arthur Paar . . . . *Secretary*
Joel E. Fisher . *Assistant Secretary*


FACTORIES E-F
FACTORY D
FACTORY B
FACTORY J
FACTORY K
FACTORIES G-H
MAIN OFFICES
1922
FACTORY C
FACTORY A
FACTORIES OF THE
J.F. McELWAIN COMPANY
SHOE MAKERS
NASHUA & MANCHESTER N.H.

555 FIFTH AVENUE
NEW YORK

March 5, 1940.

To the Stockholders of Melville Shoe Corporation:

Submitted herewith is the twenty-sixth annual report of Melville Shoe Corporation, this for the year ending December 31, 1939:

Earnings and Sales

As stated later in this letter, your company acquired the outstanding capital stock of the J. F. McElwain Company on December 22, 1939. Because of the shortness of the period of joint operation of the two corporations in 1939, the figures given below with respect to earnings, sales, and inventory, are based on the operations of Melville Shoe Corporation without giving any effect to those of the J. F. McElwain Company.

Your company's net income for the year amounted to $2,174,872.72 as against $1,484,060.81 in 1938. This represents, after preferred dividends paid, earnings of $5.29 per share on the 404,722 shares of the old no par common stock, as compared with $3.59 per share on the same basis in 1938.

Dollar sales at retail for the year were $38,326,853.56, compared with $36,042,285.23 in 1938, an increase of 6.03%. Unit sales for the twelve months were 10,713,767 pairs of shoes as against 10,146,182 pairs in 1938, a gain of 5.59%; and 14,099,198 pairs of hosiery as against 11,732,164 pairs of hosiery in 1938, a gain of 20.2%. In both dollars and units 1939 showed the largest volume of business in the history of your company.

Sales of the J. F. McElwain Company for the year 1939 were $21,721,706.84 compared with $19,053,609.38 in 1938, an increase of 14.0%, and earnings of the J. F. McElwain Company for the year 1939 were $986,288.95 compared with $811,472.95 in 1938, an increase of 21.5%.

As there have been requests for earnings figures of the two companies prior to the union of the businesses, such figures (unaudited) are submitted herewith for the years 1934 to 1939:

	Melville Sales	*McElwain Sales*	*Melville earnings*	*McElwain earnings*	*Total earnings*	*Earnings per common share**
1934	$27,215,927.63	$14,398,684.03	$1,692,912.58	$941,353.00	$2,634,265.58	$2.33
1935	30,355,524.18	16,947,627.44	2,013,412.10	988,572.00	3,001,984.10	2.73
1936	35,300,758.24	19,578,204.21	2,388,754.19	1,146,142.57	3,534,896.76	3.31
1937	38,155,438.32	22,199,735.65	1,873,895.79	927,799.27	2,801,695.06	2.51
1938	36,042,285.23	19,053,609.38	1,484,060.81	811,472.95	2,295,533.76	1.96
1939	38,326,853.56	21,721,706.84	2,174,872.72	986,288.95	3,161,161.67	2.90

Note—Accumulated inter-company profits on unsold inventories (not readily allocable by years), aggregating $183,000 over 17 years, have not been subtracted from these earnings.

*On the basis of the capitalization of Melville Shoe Corporation as of December 31, 1939.

Merchandise Inventory

At the end of the year, the retail merchandise inventory was $4,734,454.33 compared with $4,418,938.15 as of December 31, 1938. The change in

inventory value is accounted for almost entirely by an increased cost of materials, the unit inventory having increased proportionately less than the increase in unit sales, except in the item of hosiery, where a notable percentage gain in sales has indicated the desirability of increased stock. In accordance with the company's usual practice, the merchandise inventory is carried at cost or replacement, whichever is lower, and is protected by reserves. The inventory at December 31, 1939 was 12.4% of sales during the year.

Current Assets

Total current assets of the corporation on December 31 after the consolidation were $14,709,913.16 as against total current liabilities of $3,081,-947.82, or a ratio of 4.77 to one. On the same date, cash on hand and in banks amounted to $6,583,368.93. The company had no funded indebtedness nor bank loans at any time during the year.

Acquisition of the J. F. McElwain Company

The outstanding development in your company during the year was the elimination of the weakest link and the strengthening of its competitive position through the union under one ownership of the assets and business of Melville Shoe Corporation and Melville's principal source of supply, the J. F. McElwain Company, manufacturer of its Thom McAn men's and boys' shoes. This consolidation became effective on December 22, 1939 and the assets and liabilities of the J. F. McElwain Company are included in the Consolidated Balance Sheet submitted herewith, but owing to the brief period of common operation, the Profit and Loss Account represents only the operations of the Melville Shoe Corporation without those of the J. F. McElwain Company.

Complete details regarding the consolidation of the J. F. McElwain Company with Melville Shoe Corporation were submitted to all stockholders of both companies under date of November 20, 1939, and they subsequently approved the action proposed in that statement. The union of these two companies provides assurance for the continuance of a relationship which has existed continuously since the opening of the first Thom McAn store in 1922. Hitherto the supply of Thom McAn shoes has been based on a contract under which the shoes were taken at cost and the manufacturing and merchandising profits were shared. The two companies, working together, have made and retailed nearly 100,000,000 pairs of standard quality shoes. It is intended that the manufacturing and the distributing organizations shall continue to operate independently, this in line with a fundamental concept of the founder of our business that production and distribution are distinct responsibilities and that each deserves its own skilled management.

When these two companies became one in reality (which they always had been in spirit), Mr. J. Franklin McElwain, President of the J. F. McElwain Company, was chosen Chairman of the Board of Melville Shoe Corporation, and Messrs. Francis P. Murphy and Seward M. Paterson, Vice Presidents, and Robert C. Erb, Treasurer, respectively, of the J. F. McElwain Company, became Directors of Melville Shoe Corporation. Mr. Joseph L. Merrill, who has been a Director of Melville Shoe Corporation for ten years, is now Vice President in Charge of Finance.

Reclassification of Stock

Simultaneously with the consolidation of the two companies, there was brought about a reclassification of your company's stock that placed in the hands of all stockholders a substantial amount of 5% convertible preferred stock and at the same time made practicable a two for one split in your company's old common stock. The reclassification also eliminated the old 6% preferred stock of Melville Shoe Corporation.

Details of Securities

Since the accompanying balance sheet is the first one which includes the present securities of Melville Shoe Corporation, I summarize briefly the details of such stock:

The preferred stock has a par value of $100 per share; is entitled to receive, in preference to the common stock, dividends at the rate of 5% per annum and no more; has equal voting rights, share for share, with the common stock; is convertible, at the option of the holders, until January 1, 1950, as follows: Each share is convertible until January 1, 1942, into 3½ shares of common, thereafter and until January 1, 1945 into 3 shares of common and thereafter and until January 1, 1950, into 2½ shares of common; is subject to redemption, at the option of the Board of Directors, in whole or in part, on any dividend payment date upon 30 days' notice at $105 per share plus accrued dividends and is entitled to the benefit of a retirement fund for which the corporation is to make available annually out of its surplus an amount in cash, or in reacquired preferred stock at par, equal to 3% of the par value of the maximum aggregate amount of preferred stock outstanding.

The common stock has a par value of $1 per share.

Scrip for fractional shares of common or preferred which was issued in connection with the reorganization is exchangeable for full shares up to January 1, 1943. Thereafter, and until January 1, 1945 it is exchangeable only for cash, which will be reserved from the sale of the full shares still unexchanged. After January 1, 1945 such scrip will be void.

Our auditors advise us that for income tax purposes the 5% convertible preferred received in the reclassification of the old Melville common should be given a value of 16.61% of the cost, for tax purposes, of such old common and the new $1 par common similarly should be given a cost of 83.39% of the cost, for tax purposes, of such old common.

Store Operations

During the year 1939 emphasis was placed on the improvement of existing stores rather than in extending the operations of the company. Under this program 54 stores were enlarged, remodeled or otherwise improved; 25 were replaced by new stores in better locations; 12 stores were established in new communities; and 25 stores were closed. Among the improvements were the air conditioning of 18 stores, bringing the total number of stores with air conditioning to 122. At the end of the year there were 663 stores in operation compared with 677 on December 31, 1938. These 663 stores comprised 12 John Ward, 9 Frank Tod, 14 Thom McAn Leased Departments and 628 Thom McAn stores. In the Thom McAn chain the average volume per store was $56,719.76 in 1939, this being the highest figure yet attained, and a demonstration of the value of improving existing locations.

Your company's merchandising activities included (1) the continuance of the experiment begun in the Fall of 1937 in the sale of shoes at prices intended to test the potentialities of a lower price mass market, including the introduction of "Valyu" lines for women and children; (2) considerable strides forward with Thom McAn's unique plan of marketing safety shoes for industrial workers; (3) the selection of your company by the United States Government to furnish the ski boots for the Antarctic Expedition headed by Admiral Byrd; (4) John Ward's introduction of "Smoooth-shoes" which represents a great advance in shoemaking, and its development of the Alex Morrison golf shoe to which your stores have exclusive retailing rights in their cities, this shoe representing a basic improvement in its field; (5) Thom McAn's exclusive franchise for World's Fair Shoes for men, of which we have already sold 30,000 pairs, which volume is considered to be largely additional business; and (6) the extension of the window display modernization program to more than 50% of the stores and the inauguration of "Pre-view" trims in selected stores, resulting in the sale of out-of-season merchandise.

Taxes

In past years I have drawn to the attention of the stockholders the mounting tax bill. For the year 1937 taxes amounted to $870,000 and aggregated 8½ cents per pair of shoes sold, whereas in 1939 the figure was $1,065,640, an increase of approximately 20% in two years, and amounted to approximately 10 cents per paid of shoes sold.

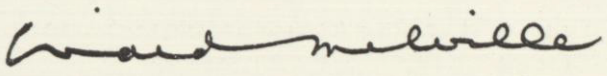
Distribution of Ownership

The list of stores published with this letter includes the number of individual stockholders in each state. It will be noted that the geographic distribution approximates the distribution of the stores; that the number of stockholders in the several states corresponds roughly with the population and wealth of those states, and that the company is owned by people living in more states than are covered by the company's operations.

Public and Personnel Relations

During 1939 your company continued to associate itself with other direct distributors in a program of public relations designed to inform consumers of the advantages for themselves, the workers and the public of this form of retailing. In addition there was continued and intensified the effort to inform every Melville worker concerning the details of the business in which he is engaged. Twice a year special reports are issued to these associates, providing a simple factual breakdown of all operating figures, as well as explaining the reasons underlying the major merchandising policies. Annually, just prior to the big Spring selling period, it is the practice to hold a series of Spring Conventions which brings every store manager throughout the country into personal contact with the officers and principal executives of the company. There has grown from these meetings a mutual understanding by each of the other's part in the operation that has been helpful in building a spirit of cooperation which is so important in the operation of this business. Accepting an invitation extended to them during the current Spring, a number of stockholders resident in the cities where these gatherings have been held attended certain sessions and learned in greater detail of the behind-the-scenes activity of their company.

The officers and directors have asked me to express in this letter their sincere appreciation and thanks to their loyal associates in all ranks, who, through their efficient and loyal team work supplied the high standard of service essential in retail distribution; and to welcome to closer association the approximately 4,200 workers in the offices and factories of the J. F. McElwain Company.



President

MELVILLE SHOE CORPORATION

MELVILLE SHOE CORPORATION

CONSOLIDATED

As at Decem

ASSETS

Current Assets:		
Cash in Banks and on Hand		$ 6,583,368.93
Marketable Securities:		
U. S. Government Securities, at cost less amortization of premiums (market prices $783,843.75)	$ 770,544.15	
Railroad Bonds, at cost (market prices $17,656.25)	15,750.00	786,294.15
Accounts Receivable:		
Trade	373,901.81	
Other	185,516.02	
	559,417.83	
Less Reserve for Doubtful Accounts	21,991.92	537,425.91
Advance Payments on Merchandise		73,459.65
Inventories, at the lower of cost or market less reserve for mark downs (based on physical inventories taken principally during the latter part of the year and adjusted to December 31, 1939):		
Finished Goods	4,734,454.32	
Work in Process, Raw Materials, and Supplies	1,994,910.20	6,729,364.52
Total Current Assets		14,709,913.16
Notes Receivable, non-current, less Reserve of $30,000.00		20,000.00
Accounts of Officers and Employees		8,833.93
Investments:		
Stocks and Bond of other Companies, less reserve to reduce to estimated market prices	21,485.25	
U. S. Treasury Bonds, at cost (market prices $111,843.75), held by bank as security for Store Managers' Deposits	102,939.72	
Cash Surrender Value of $1,013,014.00 of Life Insurance Policies on the life of the President	118,956.57	243,381.54
Fixed Assets, at estimated replacement values at December 31, 1931, as determined by the Corporation, plus subsequent additions at cost:		
Land and Buildings	1,344,189.66	
Building on Leased Land, New York (See Note 1)	408,520.96	
Machinery and Equipment (See Note 4)	798,963.13	
Store and Office Fixtures, Improvements to Leased Store Properties, and Miscellaneous	4,853,386.93	
	7,405,060.68	
Less Reserves for Depreciation and Amortization	4,221,294.01	3,183,766.67
Prepaid Expenses and Deferred Charges:		
Prepaid Insurance, Taxes, Rents, and Supplies	243,216.19	
Bonuses, Commissions, and Legal Expenses paid to procure lease contracts, amount unamortized	54,103.94	297,320.13
Total		$18,463,215.43

AND SUBSIDIARY COMPANIES

BALANCE SHEET

ber 31, 1939

LIABILITIES

Current Liabilities:		
Accounts Payable, Trade		$ 1,610,079.97
Accrued Taxes, Rents, Royalties, and Sundry Expenses		703,867.85
Provision for Federal Income Tax		768,000.00
Total Current Liabilities		3,081,947.82
Rents Received in Advance		2,066.20
Store Managers' Security Deposits, and Deposits on Leases		159,196.70
Reserves:		
Self-Insurance	$ 202,552.44	
Pensions	50,000.00	
Store Front Replacements	58,214.64	310,767.08
Capital Stock (See Note 2):		
Preferred—5% Cumulative Convertible (redeemable at $105.00 per share), par value $100.00 each:		
Authorized, 100,000 shares		
Issued, 98,260 shares	9,826,000.00	
Less 1 share in Treasury	100.00	
	9,825,900.00	
Common—par value $1.00 each:		
Authorized (including 343,910 shares reserved for issuance in exchange for Preferred Stock), 1,300,000 shares		
Issued, 918,896 shares	918,896.00	10,744,796.00
Earned Surplus		4,164,441.63
Total		$18,463,215.43

MELVILLE SHOE CORPORATION AND SUBSIDIARY COMPANIES

(Except J. F. McElwain Company acquired December 22, 1939—See Note 3)

Consolidated Profit and Loss Account For the Year Ended December 31, 1939

Sales		$38,326,853.56
Cost of Sales		26,011,221.14
		12,315,632.42
Store Operating and General and Administrative Expenses	$8,701,044.42	
Depreciation	517,863.46	9,218,907.88
		3,096,724.54
Net Loss on Real Estate Operations		99,187.12
		2,997,537.42
Interest Paid	7,769.97	
Distribution to Operating Executives and Employees	221,532.61	
Increase in Reserve for Investments	26,150.00	
Additional Provision for Pensions	23,260.69	
Miscellaneous Charges	63,239.25	
	341,952.52	
Less Miscellaneous Income	39,357.58	302,594.94
Net Income before Federal Income Tax		2,694,942.48
Provision for Federal Income Tax		520,069.76
Net Income		$ 2,174,872.72

J. F. McELWAIN COMPANY

Profit and Loss Account For the Year Ended December 31, 1939

Sales:		
Melville Shoe Corporation		$19,174,780.16
Others		2,546,926.68
		21,721,706.84
Cost of Sales (exclusive of Depreciation of $71,020.85)		20,084,054.95
		1,637,651.89
Depreciation		71,434.82
		1,566,217.07
Selling, General, and Administrative Expenses (exclusive of Depreciation of $413.97)	$ 180,280.48	
Payments to Bonus and Pension Trust Funds*	169,500.00	
Distribution to Operating Executives	39,100.00	
	388,880.48	
Less Miscellaneous Income	21,013.54	367,866.94
Net Income before Federal Income Tax		1,198,350.13
Provision for Federal Income Tax		212,061.18
Net Income		$ 986,288.95

*Non-recurring expenditure.

Combined earnings of Melville Shoe Corporation and J. F. McElwain Company for the year 1939 on the amount of common shares outstanding December 31, 1939, after deducting full year's dividends on the amount of preferred shares outstanding December 31, 1939 ..... $2.90

MELVILLE SHOE CORPORATION AND SUBSIDIARY COMPANIES

(Except J. F. McElwain Company acquired December 22, 1939—See Note 3)

Consolidated Surplus Accounts
For the Year Ended December 31, 1939

Consolidated Paid-In Surplus Account

Balance as at December 31, 1938	$ 3,111,608.31
Transferred to Capital pursuant to resolution of Board of Directors, November 27, 1939, relative to reclassification of Preferred and Common Stocks	3,111,608.31

Consolidated Earned Surplus Account

Balance as at December 31, 1938		$ 5,485,953.11
Net income for the Year ended December 31, 1939		2,174,872.72
		7,660,825.83
Deduct Dividends Paid:		
Preferred Stock (old) 6%	$ 29,997.60	
Common Stock (old) $4.00 per Share	1,618,409.25	1,648,406.85
		6,012,418.98
Less:		
Transferred to Capital pursuant to resolution of Board of Directors, November 27, 1939, relative to reclassification of Preferred and Common Stocks	1,289,149.19	
Provision for inter-company Profits in Inventories required as result of acquisition of J. F. McElwain Company	183,000.00	
Excess of par value of Shares issued for Capital Stock of J. F. McElwain Company over net worth per books of J. F. McElwain Company as at December 31, 1939	224,358.41	
Expenses relative to reclassification of Preferred and Common Stocks and to acquisition of Capital Stock of J. F. McElwain Company	151,469.75	1,847,977.35
Balance as at December 31, 1939		$ 4,164,441.63

ACCOUNTANTS' REPORT

To the Board of Directors,

Melville Shoe Corporation,
New York, N. Y.

We have examined the Consolidated Balance Sheet of Melville Shoe Corporation and its Subsidiary Companies (J. F. McElwain Company, acquired December 22, 1939, The R-W Realty Co., Inc. and Melville Realty Company, Inc.) and the Consolidated Statements of Profit and Loss and Surplus and the Statement of Profit and Loss of J. F. McElwain Company for the year 1939, have reviewed the system of internal control and the accounting procedures of the Companies and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence, by methods and to the extent we deemed appropriate.

In our opinion, the accompanying Consolidated Balance Sheet and Statements of Profit and Loss and Surplus present fairly the consolidated position of Melville Shoe Corporation and its Subsidiary Companies at December 31, 1939, and the results of the operations for the year of Melville Shoe Corporation and its Subsidiary Companies and J. F. McElwain Company, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Worcester, Mass.
February 20, 1940.

MELVILLE SHOE CORPORATION AND SUBSIDIARY COMPANIES

Notes to Consolidated Balance Sheet, Profit and Loss and Surplus Accounts For the Year Ended December 31, 1939

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(1) The Building on Leased Land is operated under the terms of a lease of which the current period expires on January 1, 1946 with the option on the part of the Corporation, subject to expenditures during or before 1946 of an additional amount estimated at $700,000.00, to extend it for two further periods of twenty-one years each. Provision for the amortization of the Building is being made over the current period of the lease.

(2) On August 2 in the year 1940 and in each year thereafter, so long as any Preferred Stock remains outstanding in the hands of others than the Corporation, the Corporation shall make available for the purchase and retirement of Preferred Stock a sum in cash (or in reacquired Preferred Stock taken at par) equal to the par value of 3% of the maximum aggregate amount of Preferred Stock which shall have been issued prior to the first day of January in the then current year plus an amount equal to dividends thereon from August 1 to August 31, plus a premium of 5% of such par value. The amount to be made available August 2, 1940 is $310,747.25.

(3) The Capital Stock of J. F. McElwain Company was acquired by Melville Shoe Corporation on December 22, 1939 but for practical reasons December 31, 1939 has been considered as the date of acquisition. Accordingly, earnings of J. F. McElwain Company from December 22, 1939 to December 31, 1939, approximately $30,000.00, have been excluded from the Consolidated Profit and Loss Account.

(4) Under the customary terms of lease agreements covering machinery leased, the J. F. McElwain Company is liable to the lessor for deferred license fees of $87,087.83 (net) as at December 31, 1939 in the event that such machinery is returned to the lessor; in addition, the Company is obligated to pay all repair charges and return freight costs when and as leased machinery is returned to the lessor.

LIST OF STORES
MELVILLE SHOE CORPORATION

As at December 31, 1939

JOHN WARD—12 STORES

New York . . . 6	Brooklyn . . . 2	Newark 1	Washington . . 1
	Bronx 1	Philadelphia . . 1	

FRANK TOD—9 STORES

New York . . . 5	Jersey City . . . 1	Passaic 1	Trenton 1
	Newark 1		

THOM McAN—628 STORES

(in 322 cities in 40 states, including the District of Columbia)

Alabama (5 stores)
*(4 stockholders)**
- Birmingham . 2
- Ensley 1
- Mobile 1
- Montgomery . 1

Arizona (2)
(3 stockholders)
- Phoenix . . . 1
- Tucson 1

Arkansas (3)
(2 stockholders)
- Fort Smith . . 1
- Hot Springs . . 1
- Little Rock . . 1

Colorado (3)
(9 stockholders
- Denver 2
- Pueblo 1

Connecticut (22)
(124 stockholders)
- Bridgeport . . 2
- Bristol 1
- Danbury . . . 1
- Derby 1
- Hartford . . . 3
- Meriden . . . 1
- Middletown . 1
- New Britain. . 1
- New Haven . . 4
- New London . 1
- Norwich . . . 1
- South Manchester . 1
- South Norwalk 1
- Stamford . . . 1
- Waterbury . . 2

Delaware (2)
(19 stockholders)
- Wilmington . . 2

District of Columbia (6)
(20 stockholders)
- Washington . . 6

Florida (10)
(36 stockholders)
- Jacksonville . . 2
- Lakeland . . . 1
- Miami 2
- Pensacola . . . 1
- Orlando . . . 1
- Tampa 1
- West Palm Beach . . . 1
- Ybor City . . 1

Georgia (7)
(15 stockholders)
- Atlanta . . . 3
- Augusta . . . 1
- Columbus . . . 1
- Macon 1
- Savannah . . . 1

Illinois (37)
(165 stockholders)
- Aurora 1
- Berwyn 1
- Bloomington . 1
- Chicago . . . 24
- Danville . . . 1
- Decatur . . . 1
- Evanston . . . 1
- Joliet 1
- Kankakee . . . 1
- Moline 1
- Peoria 1
- Quincy 1
- Rock Island . . 1
- Springfield . . 1

Indiana (18)
(14 stockholders)
- Anderson . . . 1
- Elkhart . . . 1
- Evansville . . 2
- Fort Wayne . . 2
- Gary 1
- Hammond . . 1
- Indianapolis . 3
- Lafayette . . . 1
- Marion 1
- Muncie 1
- New Albany . 1

Indiana—*Continued*
- Richmond . . 1
- South Bend . . 1
- Terre Haute . . 1

Iowa (4)
(10 stockholders)
- Davenport . . 1
- Des Moines . . 2
- Dubuque . . . 1

Kansas (1)
(1 stockholder)
- Wichita . . . 1

Kentucky (7)
(21 stockholders)
- Covington . . 1
- Lexington . . 1
- Louisville . . 3
- Newport . . . 1
- Paducah . . . 1

Louisiana (7)
(12 stockholders)
- Baton Rouge . 1
- Monroe 1
- New Orleans . 4
- Shreveport . . 1

Maine (3)
(19 stockholders)
- Augusta . . . 1
- Lewiston . . . 1
- Portland . . . 1

Maryland (12)
(57 stockholders)
- Baltimore . . . 10
- Cumberland . . 1
- Hagerstown . . 1

Massachusetts (55)
(402 stockholders)
- Allston 1
- Arlington . . . 1
- Attleboro . . . 1
- Beverly 1
- Boston 7
- Brockton . . . 1

Massachusetts—*Cont.*
- Cambridge . . 2
- Chelsea 1
- Dorchester . . 3
- East Boston . . 1
- Everett 1
- Fall River . . . 1
- Fitchburg . . . 1
- Framingham . 1
- Gloucester . . 1
- Haverhill . . . 1
- Holyoke . . . 1
- Hyde Park . . 1
- Lawrence . . . 2
- Lowell 1
- Lynn 2
- Malden 1
- Medford . . . 1
- New Bedford . 3
- Northampton . 1
- Norwood . . . 1
- Pittsfield . . . 1
- Quincy 1
- Roslindale . . 1
- Roxbury . . . 1
- Salem 1
- Somerville . . 2
- South Boston . 1
- Springfield . . 2
- Wakefield . . 1
- Waltham . . . 1
- Watertown . . 1
- Woburn . . . 1
- Worcester . . . 2

Michigan (32)
(44 stockholders)
- Ann Arbor . . 1
- Battle Creek . 1
- Dearborn . . . 1
- Detroit 16
- Flint 1
- Grand Rapids . 1
- Hamtramck . . 1
- Highland Park. 1
- Jackson 1
- Kalamazoo . . 1
- Lansing . . . 1
- Muskegon . . 1
- Pontiac 1

*In italics are shown the distribution of individual holders of record of common stock, corporations' and brokers' holdings being omitted, as per a recent survey. In California, Oregon, Washington, Idaho, Montana, Nevada and foreign countries, in which there are no stores, there were 131 individual holders of common stock.

Michigan—*Continued*
- Port Huron . . 1
- River Rouge . 1
- Royal Oak . . 1
- Saginaw . . . 1

Minnesota (7)
(*24 stockholders*)
- Duluth 1
- Minneapolis . 4
- St. Paul . . . 2

Mississippi (4)
(*1 stockholder*)
- Greenville . . 1
- Jackson 1
- Meridian . . . 1
- Vicksburg . . 1

Missouri (17)
(*34 stockholders*)
- Kansas City . . 4
- Maplewood . . 1
- St. Joseph . . 1
- St. Louis . . . 11

Nebraska (3)
(*6 stockholders*)
- Lincoln 1
- Omaha 2

New Hampshire (3)
(*80 stockholders*)
- Concord . . . 1
- Manchester . . 1
- Portsmouth . . 1

New Jersey (38
(*232 stockholders*)
- Asbury Park . 1
- Atlantic City . 1
- Bayonne . . . 1
- Bloomfield . . 1
- Camden . . . 2
- Elizabeth . . . 1
- Hackensack . 1
- Harrison . . . 1
- Hoboken . . . 1
- Irvington . . . 1
- Jersey City . . 6
- Long Branch . 1
- Montclair . . 1
- Morristown . . 1
- Newark . . . 7
- New Brunswick 1
- Orange 1
- Passaic 1
- Paterson . . . 2
- Plainfield . . . 1
- Red Bank . . . 1
- Rutherford . . 1
- Trenton . . . 1
- Union City . . 1
- West New York 1

New Mexico (1)
(*1 stockholder*)
- Albuquerque . 1

New York (142)
(*928 stockholders*)
- Albany 3
- Amsterdam . . 1
- Auburn 1
- Bay Shore . . 1
- Binghamton . 1
- Buffalo 7
- Elmira 1
- Freeport . . . 1
- Glens Falls . . 1
- Hempstead . . 1
- Huntington . . 1
- Jamestown . . 1
- Kenmore . . . 1
- Lynbrook . . . 1
- Mount Vernon. 1
- Newburgh . . 1
- New Rochelle . 1
- New York:
  - Manhattan . 32
  - Bronx . . . 15
  - Brooklyn . . 37
  - Queens . . . 14
  - Richmond . 2
- Niagara Falls . 1
- Olean 1
- Peekskill . . . 1
- Port Chester . 1
- Poughkeepsie . 1
- Rochester . . . 3
- Schenectady . . 1
- Syracuse . . . 2
- Troy 1
- Utica 2
- Yonkers . . . 2
- White Plains . 1

North Carolina (7)
(*19 stockholders*)
- Asheville . . . 1
- Charlotte . . . 1
- Durham . . . 1
- Greensboro . . 1
- Raleigh . . . 1
- Wilmington . . 1
- Winston Salem. 1

Ohio (44)
(*143 stockholders*)
- Akron 2
- Alliance . . . 1
- Canton 1
- Cincinnati . . 7
- Cleveland . . . 12
- Columbus . . . 3
- Dayton 3
- Hamilton . . . 1
- Lakewood . . 1

Ohio—*Continued*
- Lima 1
- Lorain 1
- Mansfield . . . 1
- Norwood . . . 1
- Portsmouth . . 1
- Springfield . . 1
- Steubenville . . 1
- Toledo 3
- Warren 1
- Youngstown . 2

Oklahoma (2)
(*4 stockholders*)
- Oklahoma City 1
- Tulsa 1

Pennsylvania (55)
(*234 stockholders*)
- Allentown . . 1
- Altoona . . . 1
- Beaver Falls . . 1
- Braddock . . . 1
- Butler 1
- Chester 1
- Erie 2
- Easton 1
- Greensburg . . 1
- Harrisburg . . 1
- Hazleton . . . 1
- Homestead . . 1
- Johnstown . . 1
- Lancaster . . . 1
- McKeesport . . 1
- New Castle . . 1
- New Kensington 1
- Philadelphia . 22
- Pittsburgh . . 6
- Pottsville . . . 1
- Reading . . . 1
- Scranton . . . 1
- Shenandoah . . 1
- Upper Darby . 1
- Wilkes Barre . 1
- Wilkinsburg . 1
- Williamsport . 1
- York 1

Rhode Island (10)
(*42 stockholders*)
- Newport . . . 1
- Pawtucket . . 2
- Providence . . 5
- Westerly . . . 1
- Woonsocket . 1

South Carolina (4)
(*8 stockholders*)
- Charleston . . 1
- Columbia . . . 1
- Greenville . . 1
- Spartanburg . . 1

Tennessee (8)
(*9 stockholders*)
- Chattanooga . 2
- Johnson City . 1
- Knoxville . . . 1
- Memphis . . . 3
- Nashville . . . 1

Texas (24)
(*13 stockholders*)
- Abilene 1
- Amarillo . . . 1
- Austin 1
- Beaumont . . 1
- Corpus Christi . 1
- Dallas 3
- El Paso 1
- Fort Worth . . 3
- Galveston . . 1
- Houston . . . 3
- Laredo 1
- McAllen . . . 1
- San Angelo . . 1
- San Antonio . 2
- Tyler 1
- Waco 1
- Wichita Falls . 1

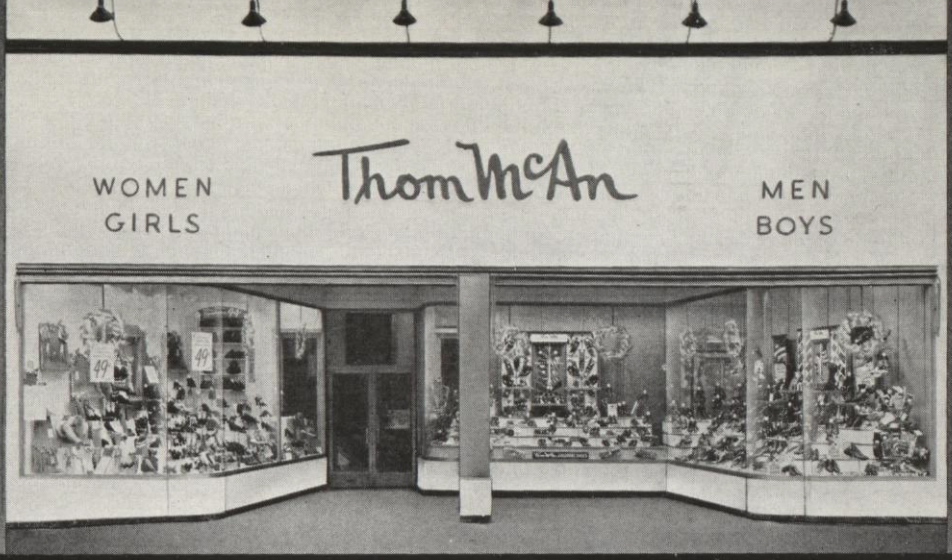
Utah (2)
(*5 stockholders*)
- Ogden 1
- Salt Lake City . 1

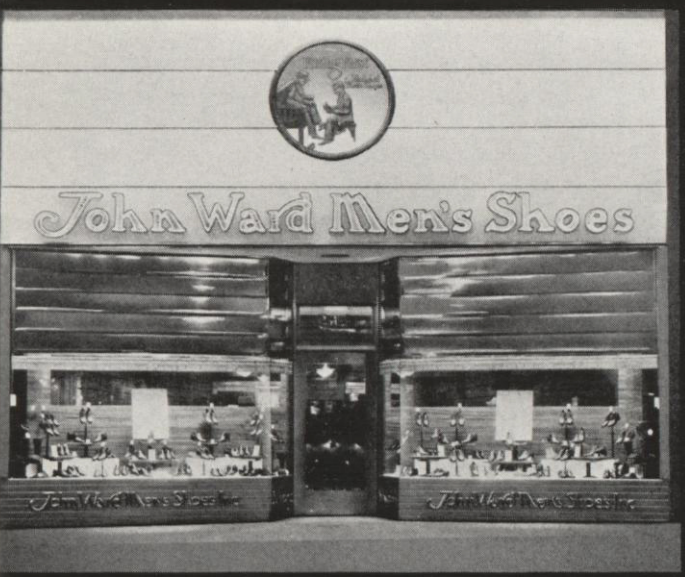
Vermont (1)
(*3 stockholders*)
- Burlington . . 1

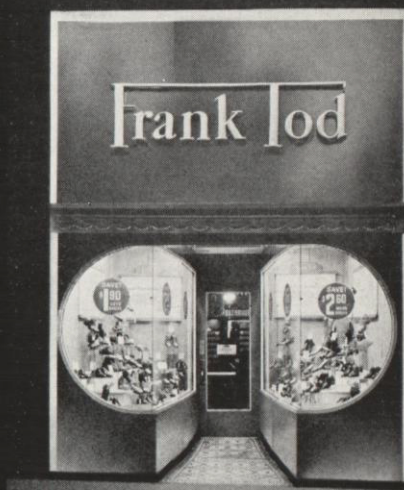
Virginia (8)
(*20 stockholders*)
- Lynchburg . . 1
- Newport News 1
- Norfolk . . . 2
- Portsmouth . . 1
- Richmond . . 2
- Roanoke . . . 1

West Virginia (4)
(*4 stockholders*)
- Charleston . . 1
- Clarksburg . . 1
- Huntington . . 1
- Wheeling . . . 1

Wisconsin (8)
(*41 stockholders*)
- Eau Claire . . 1
- Kenosha . . . 1
- Madison . . . 1
- Milwaukee . . 3
- Oshkosh . . . 1
- West Allis . . 1







FOUR FAMILIAR FRONTS

A Thom McAn Gold Line store selling shoes to all the family . . . a Metropolitan John Ward Store . . . a Frank Tod Store . . . and a Thom McAn White Front, retailing shoes for men and boys only

Melville Shoe Corporation's Stores
Figures show total stores in each state
Squares show cities with one or more stores
Minnesota 7
Wisconsin 8
Michigan 32
Maine 3
N.H. 3
Vt. 1
Mass. 55
New York 156
Pennsylvania 56
Nebraska 3
Iowa 4
Illinois 44
Indiana 18
Ohio 37
West Virginia 4
Virginia 8
Md. 12
D.C. 7
Del. 2
Utah 2
Colorado 3
Kansas 1
Missouri 17
Kentucky 7
Tennessee 8
North Carolina 7
South Carolina 4
Arizona 2
New Mexico 1
Oklahoma 2
Arkansas 3
Mississippi 5
Alabama 4
Georgia 7
Florida 10
Louisiana 7
Texas 24